

Authorised



**MINUTES OF THE THIRTY- THIRD MEETING OF POTATO
COUNCIL
HELD AT EASTWOOD BOARD ROOM, STONELEIGH PARK
ON 1 FEBRUARY 2012 COMMENCING AT 9.00 AM**



Board Members Attending	Growers Robin Baines, Tony Bambridge, Anthony Carroll, Rob Doig, Alistair Melrose, Graham Nichols, Tim Papworth, Duncan Worth Grower packers David Rankin, Nick Tapp Processor representative Nick Vermont
Staff Attending	Independent members Mrs Fiona Fell and Ms Zoë Henderson Dr Rob Clayton, PCL Director, Dr Mike Storey, Head of R&D, Ms Caroline Evans, Head of Marketing & Corporate Affairs, Dr Sharon Hall, Head of Communications, Mr Adrian Cunningham, Head of SBCSR, Mr Mark Prentice, Head of Seed & Export, Mrs Sandra Williams, AHDB Financial Controller, Mrs Rita Hall
By Invitation	Mr Tom Taylor CEO AHDB, Mr Colin Boxell and Mr Nick Cole Oxford Partnership (For Item 12/15)

12/01 CHAIRMAN'S WELCOME**ACTIONS**

The Chairman welcomed Members to the meeting. The theme for the meeting was the recent Seed Customer Satisfaction Survey.

The Chair advised that Mr Dave Chelley had been invited to join the Board and he would attend the meeting in March as an observer. He also welcomed Tom Taylor to the meeting.

12/02 APOLOGIES FOR ABSENCE

There were no apologies for absence.

12/03 DECLARATIONS OF INTERESTS

There were no declarations to report.

12/04 MINUTES OF THE MEETING OF THE BOARD HELD ON 7 December 2011 (PCLM/11/06)

The Minutes of the Board meeting held on 7 December 2011, which had been circulated, were approved and signed as a true record, with the caveat of one word change of *expected* to *invited* under item 11/90.

12/05 MATTERS ARISING (PCLP/12/01)

The Director reported that all action points had either been completed or were included as agenda items for this meeting.

Agri-skills development (Minute 11/85)

The Head of Communications reported that news of funding from the Growth and Innovation fund was still awaited. Jackie Dubery, HR Director for AHDB would take a lead role in development of AHDB's skills strategy.

Cross Sector Working on Soils

Mike Storey commented that further discussions had taken place with HGCA regarding their current soils tender and referenced collaborations with HDC and EBLEX. These items demonstrated good cross sector working on the soils agenda and would inform discussion at Potato Council's R&KT Committee. Further, he described the launch of a BBSRC soils initiative (worth approximately £7 million) that had been developed in conjunction with HDC and the Potato Council. Tony Bambridge questioned whether processes remained a barrier to speedy collaboration. Mike Storey commented that processes were improving driven through AHDB's Science Forum and Tom Taylor added that functional working (where all AHDB R&D staff would sit and work together) would help to speed up processes once an imminent move of staff to the Eastwood building was complete. Ian Crute, AHDB Chief Scientist would be invited to future relevant PCL Board meetings to report on progress in this area.

Finance Report (Minute 11/87) – The Chairman advised that Sandra Williams would update the Board on differences between forecast and actual buyer levies during her financial report.

Review of SI (Minute 11/88)

In exploring potential changes to the AHDB SI, the Director had recorded a number of areas for further development after discussion with Inga Martin and AHDB's levy staff. These included raising the ceiling on maximum allowable levy rate, re-establishment of a statutory register of growers, resolution of approaches to grower co-operatives and the potential to share data with other agencies e.g. RPA and SASA. **The Director was asked to pursue these with AHDB's legal team.**

PCL
Director

Direction though dialogue

This item would be covered later in the meeting

New Potatoes (Minute 11/89)

The Director reported that discussions with the Chairman of FPSA had taken place and industry's use of the word "new" was being pursued by FPSA. Meanwhile AHDB's Consumer Insight team were collating Kantar data relating to the same issue. Caroline Evans commented that the more difficult but more important market segment to pursue was within Food Service and that changes in product descriptions were likely to take time.

WPC (Minute 11/90)

This will be discussed later in the Board.

Timeline for plant health project (Minute 11/92)

Sharon Hall commented that plans were being developed to run a number of focus groups through the summer concluding with an industry forum later in the year possibly tied into Potatoes in Practice.

Membership of Marketing Strategy Committee

An invitation had been sent to the Potato Processors Association (PPA).

Full Cost recovered at FERA

Potato Council had been given sight of a letter from Lord Taylor to the NFU that indicated that full cost recovery for Plant Health and inspection services would be initiated in line with its proposed schedule. Graham Nichols expressed disappointment that Potato Council had not signed a joint request to DEFRA seeking to postpone the implementation of full cost recovery. The Director responded that whilst cost optimisation was a concern, the request for a delay constituted lobbying. Tom Taylor commented that lobbying was not a role for AHDB but reminded the Board that John Godfrey AHDB Chairman had spoken with the Minister in person on this subject. Tim Papworth commented that NFU would actively pursue this area and the Board were pleased to learn that AHDB would have a seat at the consultative panels within FERA so could contribute to shaping services that meet industry needs, in part by making relevant comparisons with services provided by SASA. **The responsibility would fall to the new Head of Seed and Export who was asked to make sure FERA understood that an erosion of service would be unacceptable.**

Head
Seed &
Export

12/06 AHDB: REPORT FROM CHAIRMAN

The Chair invited Tom Taylor to participate within this report. The Chair opened this section by reporting on activities at the AHDB Board the previous day. The AHDB Board had approved Potato Council's recommendation for a 3% levy rate increase and this would now follow the usual process of approval by DEFRA and devolved administrations. Four main actions for PCL had been derived from Corporate Plan Consultation responses (see minute 12/10)

The AHDB Board had also considered future funding strategies for Assured Food Standards (AFS). Tom Taylor reminded the Board that the decision to continue funding AFS in the longer term rested entirely with sector boards and that discussions with AFS had commenced within some sectors. In response to comments that it would always be difficult for AFS to create impact with a relatively small marketing budget, Caroline Evans suggested that the role of stakeholder influencing leveraging other funds and Corporate Affairs should also be considered in assessing value. **Ms Evans would liaise with the AFS team and present a report on sector value and recommendations for future funding at a future board meeting.**

Head of
Marketing
and
Corporate
Affairs

The Chair, on behalf of John Godfrey, sought views on the programme for a Sector Board Member Conference to be held later in the year. Responses included exploring supermarket power, developing cross sector issues, relationships with Government and staff presentations.

Turning to AHDB accommodation, Tom Taylor updated the Board on plans to occupy the Eastwood Building and consolidate remaining staff into fewer buildings as a temporary measure. This would precede a move to a new development owned by La Salle for which reasonable terms had been negotiated. It was difficult to set realistic expectations regarding time line although a final move in quarter 3 of 2013 was anticipated.

12/07 FINANCE REPORT (PCLP/12/02)

Sandra Williams, AHDB Finance Controller, reported briefly on AHDB's financial position. She advised that the current retained surplus across AHDB exceeded £7.6m

and AHDB had benefited from higher revenues in two sectors. With 94% of income secured against 72% expenditure committed she expected the position to deteriorate to a retained surplus of around £3m for the full financial year, compared to a budgeted surplus of £790,000. In response to a question on the sale of Winterhill, Tom Taylor advised that an offer had been received, but the exchange of contracts had not taken place as planned, so an extension had been granted to the purchaser and if a deposit was not received by the 3rd February, the property would be put back on the market.

Turning to PCL accounts Ms Williams commented that levy collection had advised that outstanding levies were being pursued although a number of debts had been written off (£8,000). The Director commented in relation to a previous enquiry that PCL's income forecast had been reduced by £40,000 following a detailed analysis of payment schedules for growers and purchasers noting that less growers and purchasers paid before key dates where higher rate levies applied. PCL's management team had met the previous day to fine tune end of year forecasts and were expecting to achieve a retained surplus of £22,000, compared to a budgeted surplus of £24,000. In response to a previous action Sandra Williams reported that a provision of £496,000 had been made previously in respect of Nash Court. A benefit to PCL was possible in 2014/15 but would depend on assessment of dilapidations.

The Director advised that he and other members of SET had undertaken financial awareness training.

Fiona Fell congratulated the team at Sutton Bridge on achieving additional R&D revenue streams. Members of the Board concurred.

The Chair thanked Sandra Williams and she left the meeting.

12/08 PROPOSALS FOR BP2013 (PCLP/12/03)

Referring to BP2011, Sharon Hall reported that feedback has been very positive, the event was well attended and exhibitors had clearly supported potato specific events in Harrogate. She sought approval to initiate plans for BP2013 in Harrogate capturing key successful elements from 2011 e.g. free entry. Her plans included investigating alternative venues for dinner (HIC in Harrogate) which has a higher capacity. She was asked to pursue this carefully given that a venue that is simply too large could cause compromise the atmosphere of the dinner. Duncan Worth thanked Sharon and her team for a successful event and Tom Taylor also offered thanks from John Godfrey and the AHDB Board for an excellent event. Plans were approved.

12/09 WORLD POTATO CONGRESS 2012 : PROGRESS REPORT (PCLP/12/04)

The Director provided a routine update on the development of World Potato Congress 2012. Starting with financial issues, he advised that 73% of costs had been contracted and forecast a position *circa* £50,000 below the budget agreed in 2011. To date sponsorship plans were ahead of schedule and £182,000 (net) had been secured. Packages relating to dinner and golf sponsorship had yet to be tendered so additional sponsorship of £200,000 (net) was a realistic proposition. One hundred and thirty delegates had booked to date which was below the original forecast, but tracked ahead of similar events. Free attendance of Board members was agreed by the Board to be funded within the project budget. A comprehensive delegate recruitment programme was underway that included audience specific case studies and speaker specific e-

shots. These would be circulated to Board members for their own use. Other avenues were being explored e.g. a tie-in with a planned UNECE Conference being held in Edinburgh the same week. The Chairman referred to a previous discussion about supported places for International delegates and sought clarification of PCL's role. Members of the executive (Caroline Evans and Mark Prentice) responded that this area had been explored; it had a high resource requirement which could take staff away from core business (delivery of programme sponsorship and delegates) but a compromise had been negotiated with WPC Inc. who would take this forward. Nick Vermont suggested that as a career path in farming was within AHDB's agenda the executive should explore access to the event by agricultural students. Fiona Fell agreed and recommended that the role of event stewards should be considered. (The Director would take this forward. In clarifying Board member roles in securing delegates the Director advised that an International Advocacy network had proved highly successful so far and that **Board members could sign up as advocates and assist with communications.** All agreed and the Director would ensure advocacy packs and instructions were distributed. Turning to risks, the Director reported that most financial aspects were in hand but some issues around Public Liability were still being pursued. In reference to the recent BASF position on bio technology research within Europe, Zoë Henderson suggested that the risk status should be elevated. Nick Vermont agreed and suggested a robust disaster recovery plan should be developed. In terms of programme developments, a summary programme was laid on the table and the programme team commented that there were a few further developments since publication. **The Chair requested these be circulated as soon as possible.** Full and detailed briefings and speaker instructions had been provided to those participating in the event. The Director concluded that a visit to Edinburgh was imminent and a number of outstanding issues including event entertainment would be resolved shortly.

Members

PCL
Director

12/10 CORPORATE PLAN; UPDATE ON COMMUNICATIONS AND RESPONSES

Stakeholder responses had been covered briefly under the Chairman's update. The Director summarised some of the comments and actions arising from stakeholder responses. Actions included providing more detail on potential seed export markets (from Defra), providing opportunities to review research at KT priorities (from PPA), reviewing the balance of expenditure on marketing (from BPTA), reviewing PCL's approach to funding of Assured Food Standards (from NFU and FPSA), working with the supply chain (from FPSA) and establishing better processes for working with other AHDB divisions on issues such as soils research (from Produce World). All responses had been generally positive with stakeholders either supporting or making no objection to the proposed 3% increase in levies. **The Director was asked to modify the draft Corporate Plan accordingly and send a copy to board members.**

PCL
Director

12/11 PCL OPERATIONAL UPDATE AND COMMITTEE BUSINESS (PCLP/12/05)

The PCL Director presented the report, which incorporated - in addition to the functional updates - summaries of matters considered by the PCL Committees.

Market overview

The director referred to cost of production benchmarking figures published in November 2011 and noted that these were now significantly higher than current average prices being received by growers. The Chairman reminded the board that it constituted a good representation from across all elements of the industry and was well placed to assist industry in understanding its cost of production and should debate its role further. Mr Bambridge suggested that some businesses might use the information cynically and keep their growers “just above the breadline” whereas others felt that the benchmarking tool, if appropriately described, was best used to help participants identify room for improvement within parts of their business and, in particular, help expose year to year differences in input costs. Linking back to published weekly average prices David Rankin observed that those in the most difficult position were growing speculatively and may have planted crops without considering crop marketing. The Chair concluded the discussion reminding members that transparency was key to delivering a sustainable potato sector. **Potato Council, through its KT function, should remind industry of the core role of the benchmarking initiative around providing a mechanism in which growers could optimise input costs and drive efficiency within their businesses.**

Head of
Comms.

RESEARCH & KNOWLEDGE TRANSFER

Dr Storey updated the Board on the most recent prospects for drought in 2012. The Environment Agency had issued a statement in December after which DEFRA had convened a meeting of stakeholders to discuss poor water status in the East, South East and Midlands. The potential impact on potato production was still unknown although Nick Tapp commented that he knew of some producers who might expect a better, lower risk return by concentrating on vegetable production. Dr. Storey had commissioned some detailed modelling at Cranfield University that was informing the position. The Cranfield analysis would be presented to the Research and Knowledge Transfer Committee on 9th February and industry views would be sought. **The Chairman requested that the report be shared with Board members for comment.**

Head of
R&D

Dr Storey sought the Board’s endorsement of an RKT Committee recommendation to provide £391,432 funding over three years as part of a £478,432 project **Improving cultivation Practices in potatoes to increase the window of workability and structural stability**. The project would be led by Cambridge University Farm in collaboration with Grimme, SoilQuest, SOYL, Frontier Agriculture, Manor Fresh and PepsiCo. **The endorsement was granted.**

Whilst referring to the CUF funding, Sharon Hall commented that in recent meetings, clearer lines of communication had been established with the research group and project-specific communication roles had been assigned to PCL’s Knowledge Transfer executives. Ms Hall also provided a brief update on changes in targets within the HSE. These would have an impact on future PCL work.

SUTTON BRIDGE CROP STORAGE RESEARCH

Adrian Cunnington commented that activities at Sutton Bridge were in line with the business plan and recent forums at Sutton Bridge had been well attended. The team had a number of meetings scheduled with *inter alia* John Innes Research and the Technology Strategy Board. He had recently attended the launch of HDC’s research strategy. All of these would help develop the breadth of staff at Sutton Bridge and extend funding opportunities.

Steve Billings had been approached as a potential new member of the Sutton Bridge Advisory Group. The Board approved his recommendation and recognised his potential contribution as chair of the PPA's technical committee.

MARKET INFORMATION

Nick Tapp reported on a meeting of an MI Committee sub-group that had taken place the previous day. Committee members drawn from growers and purchasers had participated and developed a much greater understanding of data origins within MI. They had identified several priorities for AHDB MI including further development of Weekly Average Price and Potato Balance Sheet data.

12/12 REVIEW OF DIRECTION THROUGH DIALOGUE (PCLP/12/06)

Members of the Potato Council Board and Executive Team had participated in face to face discussions with levy payers in 2008/9 under the banner of Direction through Dialogue. The exercise had been important in establishing a mandate for PCL's core functions and levy rate plans. The Director had been asked to review the Direction through Dialogue approach and make recommendations relating to rerunning the exercise in 2012. He commented that the PCL management team considered Autumn 2012 to be an appropriate start date and prior to that a biennial telephone benchmarking exercise should be undertaken. He recommended that the Dialogue booklet produced in 2008 could be replaced with different presentation media. The Board approved initiation of the benchmarking exercise but sought firmer plans relating to Direction through Dialogue. Mr Bambridge believed the previous exercise had been positive because it was based around listening rather than purely presenting. **The Director was asked to bring more detailed plans back to the Board and to circulate the results of the previous exercise.**

PCL
Director

12/13 ANY OTHER BUSINESS

Ms Evans circulated literature relating to AHDB's joint education strategy. The Chair reminded the Board that this was the final meeting that Mark Prentice would attend he acknowledged Mark's contribution to PCL and the industry, thanked him personally and said he will be sadly missed.

12/14 DATE OF NEXT MEETING

It was agreed that the next meeting of the PCL Board would be held at Stoneleigh on Wednesday 28 March 2012 where the new Board member David Chelley would be present to meet the other members of the Board, although to be noted that his appointment did not start until the 1st April

12/15 SEED CUSTOMER SATISFACTION SURVEY (PCLP/12/07)

Mark Prentice was joined by Colin Boxell and Nick Cole of the Oxford Partnership to present an interim update relating to the recent Seed Customer Satisfaction Survey. Mr Prentice reminded the Board that it was unusual to present this type of work prior to consideration at Committee level but all recognised that it would be important to consider the information prior to a new member of staff taking on the project. The Survey had been completed by greater than 10% of industry by area and had provided a great deal of information relating to views on seed supply by origin further the survey provided

detail of how and where information relating to seed purchase was being shared along the seed supply chain. Detail would be picked up by PCL's new Head of Seed and Export and would be used to shape future strategy. Meanwhile the Chair recommended that the **team should pursue any messages relating to best practice seed management where they were easy to identify (e.g. storage in big bags).**

Heads of
Comms.
and Seed
& Export

The Head of Seed and Export also commented on the positive developments resulting from AHDB's joint export strategy of note was a recent change in heart at UKTI who would in future be more amenable to treating AHDB as a non commercial partner when developing overseas missions.

12/16 CORPORATE PLAN RESPONSES (PCLP/12/08)

12/15 INFORMATION PAPERS

- PCL Dates for 2012: update (PCLP/12/09)
- Minutes of Seed & Export – 1 December 2011; and Market Information – 29 November 2011